

# Kern County Economic Forecast

Kern County is located at the southern end of California's Central Valley, just north of Los Angeles County. Agriculture is a vital component of the county economy, which consistently ranks in the top five of the most productive counties in the nation. In early 2005, Kern County had a population exceeding 750,000 people, together with 250,000 wage and salary jobs. The per capita income in Kern County is \$22,900, which is lower than the California state average. The median family income in 2005 was \$46,600.

Economic growth in the composite Southern California area was impressive in 2004, compared to the northern half of the state. Last year 1,040 total jobs were created in Kern County, representing a marginal growth rate of 0.4 percent. Non-farm employment growth however, was much higher at 1.7 percent last year. The unemployment rate dropped sharply from 12.3 percent in 2003 to 9.8 percent last year.

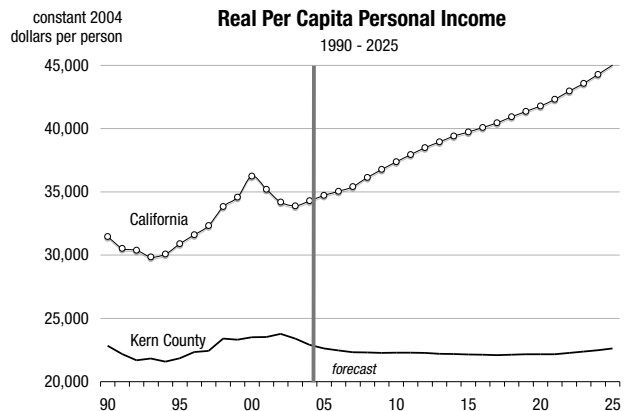
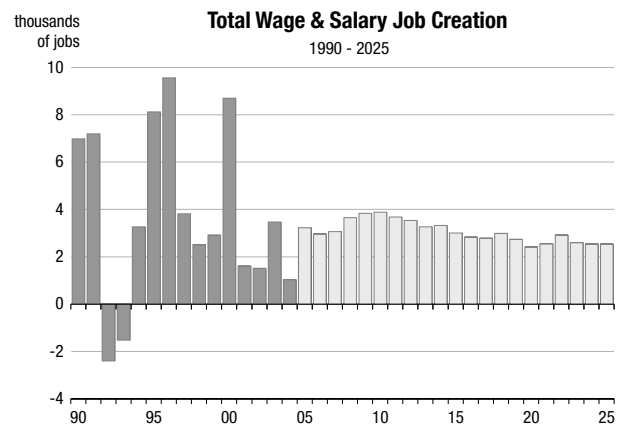
The principal sectors that are producing jobs in Kern County are construction, retail stores including restaurant and food services, and leisure and hospitality services. Jobs in healthcare are also increasing at a rapid rate. The farm sector is shrinking. Currently, most of the job creation is population-serving. Over time however, more professional, information technology, and wholesale distribution jobs will be created in Kern County.

Between 2004 and 2005, the population grew at a rate of 2.8 percent in Kern County. Bakersfield accounts for nearly 40 percent of the population, and grew at a rate of nearly 5 percent between 2004 and 2005.

Employment growth is expected to accelerate in Kern County over the next several years. Already this year, job growth is near 3 percent. As the share of non-farm jobs to farm jobs rises in the county, the unemployment rate will continue to drop and average salaries will continue to rise.

## Forecast Highlights

- Non-farm job growth will increase in 2005 to 2.4 percent. Job growth is also expected to average 2.0 percent between 2006 and 2010. The farm sector is expected to shed jobs over time, continuing a trend that has been in place since 1996.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.5 percent per year over the next 5 years.
- The services sector will emerge as the employment growth engine in Kern County. Jobs in professional and business services, and education and healthcare services are expected to grow by over 3 percent per year over the next five years. These two employment sectors will account for 42 percent of total job growth over that time period.

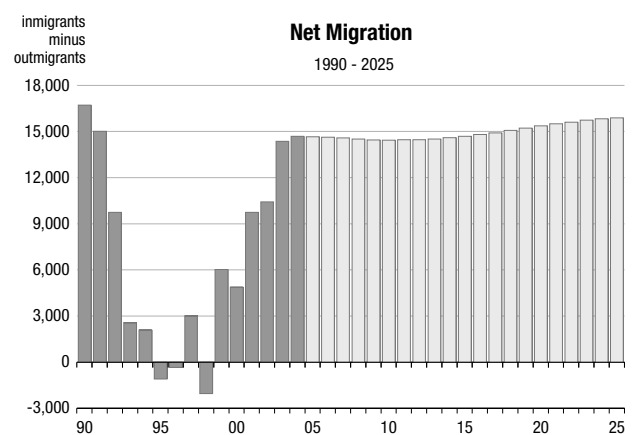
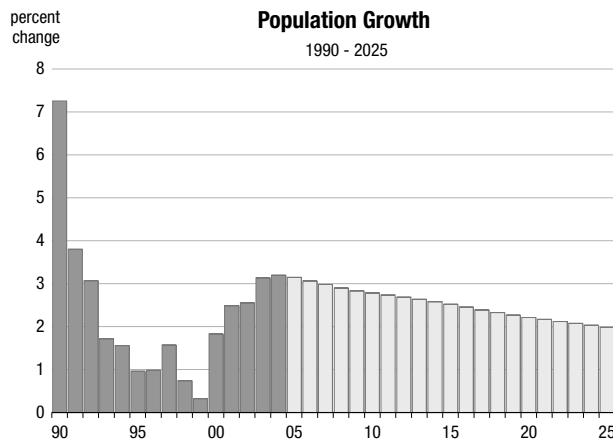


- The population will continue to grow at a rapid rate in the county. Annual growth in the 2005 to 2010 period averages 3.0 percent per year. Most of the increase in population is due to net in-migration.
- Net migration will remain at 2004 levels over the next five years. An average of over 14,500 net migrants are forecast per year over the next five years.
- Population is growing faster than income in Kern County. Consequently, inflation-adjusted per capita incomes decline at a rate of 1.3 percent in 2005. Over the next five years real per capita incomes will decline 0.3 percent per year.
- Industrial production will increase by 2.9 percent in 2005. Over the next five years the growth rate of industrial production will increase, averaging gains of 5.3 percent per year.

# Kern County Economic Forecast

## 1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	630,300	-1,080	473.1	200.4	3,304	\$5.1	\$11.0	\$21,837	1.6	2.47	3.6	13.9
1996	636,500	-324	480.0	203.1	2,812	\$5.3	\$11.6	\$22,345	1.7	2.56	4.1	12.7
1997	646,500	3,011	457.0	206.0	2,637	\$5.6	\$12.0	\$22,418	1.7	2.65	4.4	12.2
1998	651,300	-2,024	480.7	208.5	3,453	\$5.8	\$12.8	\$23,400	1.4	2.46	3.5	12.1
1999	653,400	6,039	492.2	211.8	3,157	\$6.3	\$13.1	\$23,309	2.3	2.48	4.0	11.4
2000	665,367	4,886	513.7	208.7	3,060	\$6.9	\$13.9	\$23,513	3.3	2.49	5.7	11.3
2001	681,915	9,754	535.2	210.9	3,637	\$7.6	\$14.7	\$23,531	3.4	2.42	5.4	10.7
2002	699,330	10,435	561.3	214.3	4,881	\$7.6	\$15.7	\$23,762	2.8	2.75	5.5	11.8
2003	721,263	14,368	571.1	218.4	6,112	\$8.0	\$16.3	\$23,400	2.6	2.56	6.2	12.3
2004	744,325	14,689	594.9	223.6	7,455	\$8.4	\$17.1	\$22,912	3.3	2.56	6.5	9.8
2005	767,764	14,656	617.6	230.0	7,482	\$9.1	\$17.8	\$22,622	2.7	2.56	6.7	9.2
2006	791,322	14,640	641.5	236.9	7,443	\$9.8	\$18.7	\$22,459	2.5	2.55	7.1	9.2
2007	814,943	14,592	665.8	243.8	7,488	\$10.5	\$19.6	\$22,311	2.4	2.56	7.5	9.1
2008	838,608	14,509	690.5	250.8	7,529	\$11.1	\$20.6	\$22,299	2.3	2.54	7.9	8.9
2009	862,407	14,458	715.3	257.8	7,568	\$11.8	\$21.7	\$22,270	2.2	2.55	8.3	8.9
2010	886,417	14,442	740.4	264.8	7,614	\$12.4	\$22.8	\$22,292	2.4	2.55	8.7	8.9
2011	910,668	14,467	765.1	271.9	7,673	\$13.1	\$24.1	\$22,293	2.5	2.53	9.1	8.8
2012	935,119	14,471	789.2	279.0	7,733	\$13.8	\$25.3	\$22,261	2.6	2.52	9.6	8.6
2013	959,757	14,517	812.4	286.2	7,764	\$14.5	\$26.6	\$22,201	2.7	2.51	10.1	8.2
2014	984,540	14,599	835.0	293.4	7,797	\$15.3	\$28.0	\$22,174	2.7	2.49	10.5	8.1
2015	1,009,368	14,699	856.6	300.7	7,828	\$16.0	\$29.5	\$22,140	2.8	2.46	10.9	8.1
2016	1,034,166	14,806	877.3	308.0	7,850	\$16.8	\$31.0	\$22,117	2.8	2.44	11.4	8.1
2017	1,058,884	14,918	897.1	315.3	7,883	\$17.5	\$32.5	\$22,083	2.6	2.42	11.8	8.2
2018	1,083,556	15,077	916.7	322.6	7,935	\$18.2	\$34.2	\$22,124	2.5	2.41	12.4	8.2
2019	1,108,175	15,224	936.1	330.0	7,972	\$19.0	\$35.9	\$22,152	2.5	2.39	12.7	8.1
2020	1,132,743	15,381	955.3	337.4	8,009	\$19.8	\$37.6	\$22,153	2.4	2.38	13.3	8.0
2021	1,157,306	15,508	974.7	344.9	8,007	\$20.5	\$39.3	\$22,164	2.4	2.35	13.6	7.8
2022	1,181,866	15,615	994.8	352.3	8,002	\$21.3	\$41.3	\$22,271	2.4	2.34	13.9	7.7
2023	1,206,432	15,740	1,015.5	359.8	7,983	\$22.2	\$43.5	\$22,373	2.5	2.31	14.3	7.7
2024	1,230,953	15,825	1,036.6	367.2	7,974	\$23.1	\$45.7	\$22,482	2.5	2.29	14.5	7.6
2025	1,255,384	15,889	1,058.2	374.6	7,972	\$24.0	\$48.0	\$22,616	2.4	2.27	14.9	7.5



# Kern County Employment Forecast

## 1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	214.9	42.1	9.1	9.5	6.7	27.5	6.3	17.2	2.86	15.6	15.2	47.3
1996	224.4	49.6	9.0	9.9	7.0	27.6	6.8	17.7	2.34	15.9	15.7	47.3
1997	228.3	49.0	9.4	10.2	7.2	28.2	6.8	19.1	2.50	16.2	15.5	48.2
1998	230.8	46.5	10.0	10.5	7.8	28.1	7.6	20.9	2.46	17.1	15.9	48.8
1999	233.7	44.9	10.7	10.7	8.2	28.3	7.7	21.9	2.43	18.1	16.5	50.3
2000	242.4	48.3	11.6	10.8	8.4	28.9	7.6	22.2	2.51	19.2	16.5	51.6
2001	244.0	41.8	13.0	11.1	8.3	30.1	7.8	23.0	2.54	20.2	17.2	53.6
2002	245.5	40.4	13.3	11.6	8.3	30.7	8.0	22.4	2.53	20.7	17.6	55.2
2003	249.0	41.9	13.6	12.6	8.7	30.9	8.3	21.7	2.54	21.3	18.0	54.5
2004	250.0	39.3	15.2	12.7	8.8	32.1	8.6	21.4	2.56	21.7	18.7	54.0
2005	253.3	37.6	16.6	12.8	8.9	32.9	9.0	22.1	2.63	22.5	18.9	54.6
2006	256.2	36.3	17.2	13.0	9.0	33.5	9.2	22.7	2.71	23.3	19.0	55.3
2007	259.3	35.4	17.6	13.1	9.1	33.8	9.4	23.5	2.77	24.0	19.3	56.2
2008	262.9	34.7	17.8	13.1	9.4	34.2	9.6	24.4	2.81	24.8	19.6	57.3
2009	266.8	34.3	18.1	13.1	9.6	34.6	9.8	25.3	2.80	25.4	19.9	58.6
2010	270.7	34.0	18.3	13.1	9.9	34.9	10.0	26.2	2.83	26.0	20.3	59.8
2011	274.4	33.7	18.4	13.1	10.1	35.2	10.3	27.2	2.85	26.6	20.7	61.2
2012	277.9	33.3	18.7	13.2	10.4	35.4	10.5	28.1	2.90	26.9	21.0	62.5
2013	281.2	32.9	18.9	13.2	10.6	35.6	10.8	28.9	2.95	27.3	21.3	63.9
2014	284.5	32.4	19.2	13.2	10.9	35.9	11.0	29.5	3.00	27.6	21.6	65.3
2015	287.5	31.7	19.3	13.2	11.1	36.2	11.3	30.1	3.10	27.8	21.9	66.7
2016	290.3	31.1	19.5	13.2	11.3	36.5	11.6	30.5	3.20	28.1	22.2	68.1
2017	293.1	30.4	19.5	13.2	11.6	36.7	11.9	30.9	3.31	28.2	22.6	69.5
2018	296.1	29.9	19.6	13.2	11.8	37.0	12.2	31.3	3.43	28.3	22.9	70.9
2019	298.9	29.3	19.7	13.2	12.0	37.3	12.4	31.8	3.54	28.3	23.2	72.4
2020	301.3	28.7	19.8	13.2	12.3	37.6	12.7	32.1	3.66	28.3	23.3	73.9
2021	303.8	28.0	19.9	13.2	12.5	37.8	13.0	32.5	3.78	28.3	23.5	75.4
2022	306.8	27.4	20.0	13.2	12.7	38.1	13.3	33.0	3.90	28.3	23.7	76.9
2023	309.4	26.6	20.1	13.2	13.0	38.4	13.6	33.4	4.02	28.2	23.8	78.4
2024	311.9	25.9	20.2	13.2	13.2	38.7	13.9	33.8	4.14	28.1	23.9	80.0
2025	314.5	25.2	20.3	13.2	13.4	39.0	14.3	34.2	4.27	28.1	24.0	81.5

